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Food Price Increases in Poland?

Following the December 1970 riots over food-price increases which brought in the Gierék regime, the Polish government imposed a two year freeze on food prices. That freeze ends on 31 December of this year and rumors are already beginning to circulate that prices for a great many items--including food--will go up in January. Some increases, in fact, have already been announced or instituted; telephone, telegraph and postage rates have recently been hiked, as have prices for woolen yarn and silk. Also rumored for increases are such things as furniture, gasoline, electricity and natural gas, public transportation fares and cloth. [redacted]

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[redacted] most price increases will be in the area of "luxury" consumer items to minimize the impact on workers.

Food prices, however, are an entirely different can of worms. Although there is fairly good economic justification for raising food prices, this must be weighed against political considerations. Recent economic gains--wage increases averaging 11% accompanied by an increasing supply of food and consumer goods--have brought the workers a new sense of relative prosperity. If this were threatened, it might disturb political equilibrium, weaken Gierék's current popularity, and perhaps tempt the workers to flex their muscles once again to force price roll-backs as they did in early 1971. The regime is, of course, most sensitive to this issue, and [redacted]

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[redacted] is making efforts behind the scenes to assure workers that food prices are to remain stable. Premier Jaroszewicz reportedly told representatives of the Gdansk shipyard workers recently that, while some consumer items would be going up, food prices would be kept at present levels for the foreseeable future.

In all probability, political considerations will win out over economic ones with regard to food prices, and they will remain at present levels well into the first of the year. Possible increases in selected foods would be balanced by lower prices for others, so that the worker's "shopping basket" total cost would remain about constant. This should be of some comfort to the Polish worker, who now spends 50% of his income on food. [redacted]

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Queen Elizabeth's Visit Boosted Tito's Prestige

The US Embassy in Belgrade reports that the Queen's highly successful visit to Yugoslavia on 17-21 October had the effect of boosting Tito's prestige at home and abroad. This was the first visit by the British royal family to a Communist country and, coming at a time when the Western press is speculating wildly about Yugoslavia "turning to the East," it demonstrated dramatically that Tito is still maintaining friendly ties in the West. Tito in fact took special pains, including the unusual attention he showered on the royal family, to highlight the event.

Domestically, the visit came at a crucial period in Tito's campaign for tightening party discipline throughout Yugoslavia, but especially in the key Serb party organization. Press juxtaposition of photos of Tito squiring around the royal family and articles about tensions in party activities undoubtedly had the effect of deemphasizing the dangers of the internal situation for the average Yugoslav.

In purely bilateral terms, the visit seems also to have been an unqualified success. Yugoslav media gave extensive coverage to the Queen's activities in Yugoslavia and the British now feel that their relations with Belgrade have never been better since the end of the war. Indeed, the only remaining problem seems to be "how do we top this?"

For Tito, personally, the visit also meant a lot. His international and domestic prestige were enhanced. Moreover, Tito genuinely enjoys the pomp of such occasions--he is not called the "last of the Hapsburgs" for nothing--and the opportunity to demonstrate the highly refined art of Yugoslav hospitality.

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